The State Government has informed that against the estimated requirement of 1.25 lakh MTs of MOP for Kharif 2000, suppliers have committed supply of more than 1.54 lakh MTs. Further M/s. IPL have also committed to supply 6,000 MTS of SOP to Andhra Pradesh which should be adequate to meet the requirement of farmers of Andhra Pradesh.

Misuse of Retention Price Scheme by Fertilizer Units

4269. DR. MAHESH CHANDRA SHARMA : Will the Minister of CHEMICALS AND FERTILISERS be pleased to state :

(a) whether some fertilizer industrial units are misusing 'Retention Price Scheme' by way of breach of law by installing larger plants than sanctioned, collecting consequently much higher profits and producing the real capacity of the plant collecting even higher subsidy; and

(b) what was originally proposed as a subsidy for the farmer, has become a source of huge profiteering by the Industry ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS) : (a) The Government is seized of the matter relating to excess drawal of subsidy by under statement of capacities by some of the urea manufacturing units.

(b) The Retention Price-cum-Subsidy Scheme (RPS) was introduced in 1977 with the twin objective of making available fertilizer to farmers at affordable prices and at the same time ensuring reasonable return on net worth to entrepreneurs. Subsidy on urea is primarily passed on to farmers in the form of an uniform and statutorily notified sale price which is far less than the cost of production.

Revival of FCI Unit at Ramagundam

4270. DR. ALLADI P. RAJKUMAR :

SHRI C. RAMACHANDRAIAH :

Will the Minister of CHEMICALS AND FERTILISERS be pleased to state :

(a) whether the Andhra Pradesh Government has requested to save the Fertilizer Corporation of India unit at Ramagundam facing closure; and

(b) if so, the action proposed to revive the unit early, in view of interests of backward areas and the employees ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS) : (a) Yes, Sir.

(b) The comprehensive rehabilitation proposal based on evaluation of techno-economic viability of each unit of FCI including its Ramagundam unit is yet to be approved by the Government which will thereafter be submitted for sanction of Board for Industrial and Financial Reconstruction (BIFR) as the company is under the purview of BIFR.

Hike in Prices of Essential Commodities

4271. DR. GHULAM NABI AZAD : Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state :

(a) whether the recent hike in the prices of LPG, kerosene, wheat and rice is an anti-poor and anti-middle class measure;

(b) if so, whether Government would consider to lessen the like to the least minimum; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN) :

(a) No, Sir.

(b) There is no proposal to lessen the hike in the prices.

(c) As regards wheat and rice, the BPL families will have a net saving in their family food budget since the monthly quota of wheat and rice has been raised from 10 kg to 20 kg w.e.f. 1-4-2000. Acccording to the estimates, the revision in the prices alongwith doubling the entitlement of BPL families will effectively transfer 41% more reasources to the poor. Government feels that these measures advance the cause of poor.

The hike in prices of kerosene and LPG have been made to reduce subsidy on kerosene for PDS and LPG in line with the decision of the Government taken in November 1997 on phased dismantling of administered price mechanism (APM), to consider the growing oil pool deficit due to steep hike in prices of crude oil and petroleum products in the International Market and to reduce the difference between the prices of diesel and kerosene for Public Distribution System.